

E-File: 4/14/09

James I. Stang, Esq. (CA Bar No. 94435)  
 Shirley S. Cho, Esq. (CA Bar No. 192616)  
 Werner Disse, Esq. (CA Bar No. 143458)  
 Pachulski Stang Ziehl & Jones LLP  
 10100 Santa Monica Blvd., 11th Floor  
 Los Angeles, California 90067-4100  
 Telephone: 310/277-6910  
 Facsimile: 310/201-0760  
 Email: jstang@pszjlaw.com  
 scho@pszjlaw.com  
 wdisse@pszjlaw.com

Zachariah Larson, Esq. (NV Bar No. 7787)  
 LARSON & STEPHENS  
 810 S. Casino Center Blvd., Ste. 104  
 Las Vegas, NV 89101  
 Telephone: 702/382.1170  
 Facsimile: 702/382.1169  
 Email: zlarson@lslawnv.com  
 [Proposed] Attorneys for Debtors and  
 Debtors in Possession

**UNITED STATES BANKRUPTCY COURT**  
**DISTRICT OF NEVADA**

In re:

THE RHODES COMPANIES, LLC, aka  
 "Rhodes Homes, et al.,<sup>1</sup>

Debtors.

Case No.: BK-S-09-14814-LBR  
 (Jointly Administered)

Chapter 11

<sup>1</sup> The Debtors in these cases, along with their case numbers are: Heritage Land Company, LLC (Case No. 09-14778); The Rhodes Companies, LLC (Case No. 09-14814); Tribes Holdings, LLC (Case No. 09-14817); Apache Framing, LLC (Case No. 09-14818); Geronimo Plumbing LLC (Case No. 09-14820); Gung-Ho Concrete LLC (Case No. 09-14822); Bravo, Inc. (Case No. 09-14825); Elkhorn Partners, A Nevada Limited Partnership (Case No. 09-14828); Six Feathers Holdings, LLC (Case No. 09-14833); Elkhorn Investments, Inc. (Case No. 09-14837); Jarupa, LLC (Case No. 09-14839); Rhodes Realty, Inc. (Case No. 09-14841); C & J Holdings, Inc. (Case No. 09-14843); Rhodes Ranch General Partnership (Case No. 09-14844); Rhodes Design and Development Corporation (Case No. 09-14846); Parcel 20, LLC (Case No. 09-14848); Tuscany Acquisitions IV, LLC (Case No. 09-14849); Tuscany Acquisitions III, LLC (Case No. 09-14850); Tuscany Acquisitions II, LLC (Case No. 09-14852); Tuscany Acquisitions, LLC (Case No. 09-14853); Rhodes Ranch Golf Country Club, LLC (Case No. 09-14854); Overflow, LP (Case No. 09-14856); Wallboard, LP (Case No. 09-14858); Jackknife, LP (Case No. 09-14860); Batcave, LP (Case No. 09-14861); Chalkline, LP (Case No. 09-14862); Glynda, LP (Case No. 09-14865); Tick, LP (Case No. 09-14866); Rhodes Arizona Properties, LLC (Case No. 09-14868); Rhodes Homes Arizona, L.L.C. (Case No. 09-14882); Tuscany Golf Country Club, LLC (Case No. 09-14884); and Pinnacle Grading, LLC (Case No. 09-14887).

Affects:



All Debtors



Affects the following Debtor(s)

**ERRATA TO STIPULATED INTERIM ORDER (I) AUTHORIZING LIMITED USE OF CASH COLLATERAL PURSUANT TO SECTIONS 105, 361, 362 AND 363 OF THE BANKRUPTCY CODE, (II) GRANTING ADEQUATE PROTECTION AND SUPER PRIORITY ADMINISTRATIVE EXPENSE PRIORITY TO PREPETITION SECURED LENDERS, AND (III) SCHEDULING A FINAL HEARING**

The Rhodes Companies, LLC and all related Debtors (Collectively "Debtors"), debtor and debtor-in-possession, by and through its proposed attorneys, the law firm of Larson & Stephens, LLC, hereby submits its Errata to Stipulated Interim Order (I) Authorizing Limited Use of Cash Collateral Pursuant to sections 105, 361, 362 And 363 Of The Bankruptcy Code, (II) Granting Adequate Protection And Super Priority Administrative Expense Priority To Prepetition Secured Lenders, And (III) Scheduling A Final Hearing ("Order"). Debtor's Order erroneously failed to include the the budget (the "*Budget*") annexed hereto as Exhibit "A" and the Pinnacle Grading, LLC Cash Flow Projection attached hereto as Exhibit "B". Attached hereto is Exhibit "A" and Exhibit "B".

DATED this 14th day of April, 2009.

LARSON & STEPHENS

BY /s/ Zachariah Larson

Zachariah Larson, Esq., Bar No. 7787

Kyle O. Stephens, Esq., Bar No. 7928

810 S. Casino Center Blvd., Suite 104

Las Vegas, NV 89101

Proposed Attorneys for Debtor

# EXHIBIT A

## Rhodes Homes 13 Week Cash Flow Forecast

Prepared 4/8/2009

Line #	Week Ending (1)	2	3	4	5	6	7	8	9	10	11	12	13	Total
1	4/17/2009	4/17/2009	4/17/2009	4/17/2009	5/1/2009	5/1/2009	5/1/2009	5/1/2009	5/1/2009	5/1/2009	5/1/2009	5/1/2009	5/1/2009	
2	Units Closed - Standing Inventory (Sold)	0	7	1	9	0	0	0	0	0	0	0	0	17
3	Units Closed - Not Started Homes (Sold)	0	0	0	0	0	0	0	0	0	0	0	0	13
4	Units Closed - Standing Inventory (Projected)	0	0	0	0	0	0	0	0	0	0	0	0	13
5	Net Revenues - Standing Inventory (Sold)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
6	Net Revenues - Not Started Homes (Sold)	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Net Revenues - Standing Inventory (Projected)	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Net Revenues - Not Started Homes (Projected)	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Revenue - Park Construction	21,000	85,000	70,200	66,000	65,000	62,000	73,000	65,000	60,000	50,000	51,000	54,000	792,000
10	Tusany Golf Course Revenues	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Female Grading Revenues	21,000	85,000	70,200	66,000	65,000	62,000	73,000	65,000	60,000	50,000	51,000	54,000	792,000
12	Total Cash Receipts	21,000	85,000	70,200	66,000	65,000	62,000	73,000	65,000	60,000	50,000	51,000	54,000	792,000
13	Insurance Financing	-	-	-	-	-	-	-	-	-	-	-	-	-
14	IT Services / Equip. (2)	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Storage	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Backlog License	-	-	-	-	-	-	-	-	-	-	-	-	-
18	HOA Fees (3)	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Local Home Loans (4)	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Total Cash Disbursements	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Rhodes Homes Payroll	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Rhodes Homes Ordinary Course Professionals (5)	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Rhodes Homes Consultants	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Rhodes Homes A/C Payroll	-	-	-	-	-	-	-	-	-	-	-	-	-
25	Female Payroll	-	-	-	-	-	-	-	-	-	-	-	-	-
26	Female (Job Cost) (6)	-	-	-	-	-	-	-	-	-	-	-	-	-
27	Female (Equipment) (6)	-	-	-	-	-	-	-	-	-	-	-	-	-
28	Rhodes Homes Vertical Costs (Costs to Complete)	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Rhodes Homes Vert. Costs - Projected Dir. (Costs to Complete) (7)	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Rhodes Homes Land Dev. (Costs to Complete) (8)	-	-	-	-	-	-	-	-	-	-	-	-	-
31	Rhodes Homes Land Dev. (Costs to Complete) (9)	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Rhodes Homes Warranty Repair (Job Cost)	-	-	-	-	-	-	-	-	-	-	-	-	-
33	Rhodes Homes Vertical Costs - A/P (10)	-	-	-	-	-	-	-	-	-	-	-	-	-
34	Rhodes Homes Land Dev. - A/P (10)	-	-	-	-	-	-	-	-	-	-	-	-	-
35	Rhodes Homes Land Dev. - Spirit Underground A/P (10)	-	-	-	-	-	-	-	-	-	-	-	-	-
36	Rhodes Homes Land Dev. - Park A/P (10)	-	-	-	-	-	-	-	-	-	-	-	-	-
37	Sales / Marketing	-	-	-	-	-	-	-	-	-	-	-	-	-
38	G & A	-	-	-	-	-	-	-	-	-	-	-	-	-
39	Utility Deposits and Payments	-	-	-	-	-	-	-	-	-	-	-	-	-
40	Builder Subsidies to Tusany HOA (11)	-	-	-	-	-	-	-	-	-	-	-	-	-
41	Sales and Use Tax (12)	-	-	-	-	-	-	-	-	-	-	-	-	-
42	Doctors Restructuring Professionals (13)	-	-	-	-	-	-	-	-	-	-	-	-	-
43	Committee's Restructuring Professionals	-	-	-	-	-	-	-	-	-	-	-	-	-
44	Lenders' Professionals (14)	-	-	-	-	-	-	-	-	-	-	-	-	-
45	Landmark & Consultant Housing and Travel Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
46	Other Cash Disbursements	-	-	-	-	-	-	-	-	-	-	-	-	-
47	Total Cash Disbursements	-	-	-	-	-	-	-	-	-	-	-	-	-
48	Starting Cash Position	2,175,007	2,175,007	2,175,007	2,175,007	2,175,007	2,175,007	2,175,007	2,175,007	2,175,007	2,175,007	2,175,007	2,175,007	2,175,007
49	Projected Net Revenue	21,000	85,000	70,200	66,000	65,000	62,000	73,000	65,000	60,000	50,000	51,000	54,000	792,000
50	Disbursement for Week	-	-	-	-	-	-	-	-	-	-	-	-	-
51	Ending Cash Position	2,196,007	2,260,007	2,245,207	2,341,007	2,406,007	2,468,007	2,541,007	2,614,007	2,676,007	2,726,007	2,776,007	2,826,007	2,876,007

(1) Week 1 is a sub-week starting April 1, 2009.  
 (2) IT Services / Equip. in week 3 includes \$12,000 of software license renewal (Bulder MTI); in week 5, Mckenzie/Cross license renewal (Bulder MTI); in week 7, BulderMTI Trade Portal renewal (Bulder MTI).  
 (3) HOA fees paid for completed communities in which the Company continues to own lots / property - (i) Spanish Hills \$2,760; (ii) Preserves \$40; (iii) \$2,000 K&C; and (iv) \$1,500 West 57th week 3 includes 3 prior months' worth of A/C contributions.  
 (4) Female Payroll paid to women at Rhodes Homes (14 units) which are representative of product that continues to be sold in Tusany and in Rhodes Ranch.  
 (5) Female Payroll paid to women at Rhodes Homes (14 units) which are representative of product that continues to be sold in Tusany and in Rhodes Ranch.  
 (6) Female Payroll paid to women at Rhodes Homes (14 units) which are representative of product that continues to be sold in Tusany and in Rhodes Ranch.  
 (7) Vertical construction costs incurred related to prospective ongoing sales of product that are at the dirt lot phase of construction; based on last three months' sales rate.  
 (8) Land dev work as required by developments agents; \$133,333, net. Amortization (spread over 9 weeks). \$40, return of posted cash bond expected 55 days after completion (beyond 13 weeks). Such expenditures expected to cause release of approx \$133,333 in bonds.  
 (9) Rhodes Ranch Park remaining (job costs assumed to be spread ratably over 8 weeks).  
 (10) Prepayment accounts payable owed to critical vendors assumed to be paid in Week 8 in order to maintain existing and future business relationships.  
 (11) Includes monthly (i) \$1,500 sales office rent, and (ii) \$16,749 Tusany HOA support; week 5 includes prior month's Tusany HOA contribution.  
 (12) Sales and Use Tax paid quarterly in arrears.  
 (13) Payments to Accelaron (architectural), Balcones Accounting-Audit and Tax Services of \$20,000 each paid on May 1.  
 (14) Payments to lenders' professionals, including but not limited to Alvin Gump and Winchester Canale.  
 (15) See attached schedule A for golf course revenue details.

Lines 8,46:  
Tuscany Golf Course Schedule A - Detailed Revenue and Cost Assumptions  
Prepared 4/5/2009

Week Ending	1 4/3/2009	2 4/10/2009	3 4/17/2009	4 4/24/2009	5 5/1/2009	6 5/8/2009	7 5/15/2009	8 5/22/2009	9 5/29/2009	10 6/5/2009	11 6/12/2009	12 6/19/2009	13 6/26/2009
Revenue	\$ 21,000	\$ 85,000	\$ 70,200	\$ 68,000	\$ 68,000	\$ 65,000	\$ 62,000	\$ 73,000	\$ 65,000	\$ 60,000	\$ 50,000	\$ 51,000	\$ 54,000
<u>Expenses</u>													
Payroll	-	-	49,560	-	49,560	-	49,560	-	49,560	-	43,660	-	43,660
Golf Course	-	-	33,400	20,000	15,000	13,000	15,000	20,000	13,000	13,000	13,000	20,000	13,000
Water	-	-	35,000	-	50,000	-	-	-	-	80,000	-	-	-
Health Insurance	-	-	-	-	9,450	-	-	-	-	9,450	-	-	-
Equipment Leases	-	-	18,199	-	-	-	18,199	-	-	-	-	18,199	-
Utilities	-	-	7,000	-	8,000	-	-	-	-	9,000	-	-	-
Total Expenses	\$ -	\$ -	\$ 143,159	\$ 20,000	\$ 132,010	\$ 13,000	\$ 82,759	\$ 20,000	\$ 62,560	\$ 111,450	\$ 56,660	\$ 38,199	\$ 56,660

# EXHIBIT B

Lines 9,23,25,26: Pinnacle Grading, LLC  
Cash Flow Projection

Cash In:	Week 1 4/3	Week 2 4/10	Week 3 4/17	Week 4 4/24	Week 5 5/1	Week 6 5/8	Week 7 5/15	Week 8 5/22	Week 9 5/29	Week 10 6/5	Week 11 6/12	Week 12 6/19	Week 13 6/26	Total
Apex at Sawmill:				244,965				1,215,713					2,000,103	1,482,708
Retention billing														2,000,103
Moheve Detention Center:				853,417				222,393						853,417
Retention billing														222,393
Total Cash In				1,100,403				1,438,106					2,000,103	4,640,521
Cash out:														
Disbursements				244,385				1,130,156					1,298,603	2,983,144
Apex at Sawmill				953,417				33,319						986,736
Moheve Detention Center														
Payroll		31,038	31,038	31,038	31,038	6,830	6,830	6,830	6,830	3,415	1,707	854	854	158,770
Payroll taxes		7,016	7,016	7,016	7,016	1,502	1,502	1,502	1,502	751	376	188	188	35,575
Sales and Use Tax														
New Payments				48,935				93,000						48,935
Overhead	500	500	500	500	500	500	500	500	500	500	500	500	500	6,500
Consulting Fee						2,846	2,846	2,846	2,846	2,846	2,846	2,846	2,846	30,778
Fuel/Materials	3,000	3,000	3,000	500	500	500	500	500	500	500	500	500	500	13,500
Rental Equipment - Water trucks	17,886	14,000	14,000	325	325	325	325	325	325	325	325	325	325	49,625
Repairs and Maintenance	2,500	2,500	2,500	500	500	500	500	500	500	500	500	500	500	11,000
Other (insurance, phone, water, rent, fuel, permits, licenses, misc.)	5,000	5,000	5,000	4,383	4,383	4,383	4,383	4,383	4,383	4,383	4,383	4,383	4,383	58,383
Total Cash Out	60,348	62,022	68,043	1,358,874	14,540	18,386	22,099	1,554,931	18,386	18,386	22,099	1,407,890	1,407,890	4,848,127
Net Cash Flow	(66,948)	(63,052)	(68,043)	(1,157,471)	(14,540)	(18,386)	(22,099)	(115,616)	(18,386)	(18,386)	(22,099)	(601,113)	(601,113)	(3,208)
Cumulative Cash Flow	(66,948)	(130,000)	(198,043)	(313,514)	(328,054)	(346,440)	(368,539)	(484,155)	(502,536)	(520,922)	(543,021)	(603,134)	(603,134)	(3,208)
Cumulative Cash Flow (incl. beginning cash balance)	(133,837)	(196,549)	(264,592)	(422,468)	(437,008)	(455,395)	(477,493)	(593,109)	(611,495)	(630,881)	(652,980)	(713,103)	(713,103)	(3,208)
Week (corresponds to 13W03)	1	2	3	4	5	6	7	8	9	10	11	12	13	
Revenues				1,194,403				1,438,106					2,000,103	4,640,521
Job Cost net of O/H and Note Payments	218,135	24,589	29,990	1,254,546	6,208	10,055	11,767	1,453,599	10,055	10,055	13,767	1,306,658	1,306,658	4,172,644
Salaries				38,053	38,053	8,332	8,332	8,332	8,332	4,166	2,083	1,041	1,041	139,701
Note Payments				57,000				93,000					57,000	279,000

Note: Information gathered to prepare this schedule was provided by Pinnacle Grading President Scott Scarborough and Pinnacle Grading Division employees